

Message Text

UNCLASSIFIED

PAGE 01 EC BRU 01363 111859Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04 TRSE-00
LAB-04 SIL-01 OMB-01 /049 W
-----120512Z 011862 /14

R 111716Z FEB 77
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 2998
INFO ALL EC CAPITALS 3115

UNCLAS EC BRUSSELS 01363

E.O. 11652:N/A
TAGS:ELAB,ETRD, EEC
SUBJECT: REFORM OF EC SOCIAL FUND

REF: EC BRUSSELS A-509

1.THE EC COMMISSION IS NOW DRAWING UP PLANS TO REFORM THE EC SOCIAL FUND,WHICH THIS YEAR HAS A BUDGET OF DOLS 600 MILLION TO HELP RETRAIN UNEMPLOYED PERSONS AND THOSE THREATENED WITH UNEMPLOYMENT.STAFFERS OF VICE PRESIDENT VREDELING, COMMISSIONER REONSIBLE FOR SOCIAL AFFAIRS,ARE WORKING ON PROPOSALS TO SPEED UP THE FUND'S OPERATIONS AND TO INCREASE ITS IMPACT.VREDELING HAS PROMISED TO HAVE THE PROPOSALS READY FOR THE COMMISSION IN TIME FOR A DECISION MARCH 16, WITH THE HOPE THAT THE COUNCIL OF MINISTERS COULD TAKE FINAL ACTION BEFORE THE END OF JUNE.

2.THE REVIEW IS REQUIRED AT THIS TIME BY THE COUNCIL DECISION WHICH APPROVED REVISED OPERATING RULES IN FEBRUARY 1971. MOREOVER,THERE IS MOUNTING PRESSURE ON THE FUND TO ADDRESS THE UNEMPLOYMENT PROBLEM MORE ADEQUATELY IN VIEW OF THE HIGH PRIORITY ASSIGNED BY COMMISSION PRESIDENT JENKINS TO COMMUNITY ACTION ON THIS FRONT..

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 EC BRU 01363 111859Z

3.SOME ADJUSTMENT IN THE FUND'S EMPHASIS HAS ALREADY TAKEN PLACE,ACCORDING TO WOLFGANG STABENOW,CHIEF OF THE EUROPEAN SOCIAL FUND DIRECTORATE.ORIGINALLY THE FUND WAS NOT DESIGNED TO ASSIST YOUNG WORKERS,BUT LAST YEAR,WITH WORKERS UNDER 25 ACCOUNTING FOR MORE THAN 40 PERCENT OF THE UNEMPLOYED IN FRANCE AND SEVERAL OTHER EC COUNTRIES,THE FUND BEGAN TO FOCUS ON YOUTH

UNEMPLOYMENT.FOR EXAMPLE,IT CONTRIBUTED DOLS 11 MILLION TO A UNITED KINGDOM PROGRAM DESIGNED TO MAKE AN ADDITIONAL 10,000 APPRENTICESHIPS AVAILABLE TO YOUNG UNEMPLOYED PEOPLE IN DEPRESSED AREAS.

4.IN A CONVERSATION WITH THE MISSION LABOR ATTACHE, STABENOW SAID THAT 1976 SAW RECORD DEMANDS ON THE SOCIAL FUND.MEMBER STATES REQUESTED TWICE AS MUCH MONEY AS THE FUND HAD AVAILABLE,AND AS A RESULT THE FUND FACED AN ACUTE PROBLEM OF SORTING OUT ITS PRIORITIES.APART FROM THE YOUNG,THE FUND FOCUSED ON WHAT STABENOW CALLED "BLACK SPOTS" -- SEVERELY DEPRESSED AREAS IN SOUTHERN ITALY,THE IRISH REPUBLIC AND NORTHERN IRELAND.

5.THE CENTRAL PROBLEM,SAID STABENOW,REMAINS ONE ALLOCATING THE FUND TO THOSE WHO NEED IT MOST AND FOR WHOM IT CAN DO THE MOST GOOD - SOMETHING "NOT ALWAYS EASY TO JUDGE FROM BRUSSELS."

6. THE SOCIAL FUND MATCHES,GENERALLY ON A 50-50 BASIS,THE RESOURCES THAT MEMBER STATES APPLY TO CERTAIN ADJUSTMENT ASSISTANCE PROJECTS.THE PURPOSE OF THE FUND, STABENOW STRESSED,IS TO STIMULATE ADDITIONAL REPEAT ADDITIONAL ACTIVITIES,NOT TO PAY FOR PROGRAMS ALREADY ESTABLISHED.THE HOPE IS TO HAVE AN IMPACT ON THE LABOR MARKET,BUT SOME GOVERNMENTS, HARD PRESSED FOR CASH,TRY TO USE THE SOCIAL FUND TO SUPPORT ESTABLISHED VOCATIONAL EDUCATION PROGRAMS, UNCLASSIFIED

UNCLASSIFIED

PAGE 03 EC BRU 01363 111859Z

ACCORDING TO STABENOW.

7.ANOTHER IMPORTANT CONCERN IS THE "BUREAUCRATIC MESS," AS STABENOW CALLED IT.THE CURRENT RULES AND PROCEDURES INVOLVED IN REVIEWING AND DOCUMENTING PROJECT PROPOSALS AND IN DISBURSING FUNDS FOR APPROVED PROJECTS,HE SAID,WERE IN MANY WAYS "RIDICULOUS," REQUIRING A NEEDLESS AMOUNT OF TIME-CONSUMING PAPERWORK.IN STABENOW'S OPINION,THIS WILL HAVE TO BE A MAJOR AREA OF REFORM.

8.A MEMBER OF VREDELING'S CABINET HAS TOLD US THAT VREDELING IS STILL BRAINSTORMING WITH OFFICIALS IN THE SOCIAL AFFAIRS DIRECTORATE ABOUT THE FUND'S PRIORITIES (FOR EXAMPLE,SHOULD THE SHIPBUILDING INDUSTRY BE ADDED TO THE SECTORS AIDED BY THE FUND?) HINTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, TRADE, LABOR RELATIONS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ECBRU01363
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770050-0687
Format: TEL
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770251/aaaabsui.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f9f8f5c7-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 EC BRUSSELS A-509
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3346026
Secure: OPEN
Status: NATIVE
Subject: REFORM OF EC SOCIAL FUND
TAGS: ELAB, ETRD, EEC
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f9f8f5c7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009